

Dear Committee,

I strongly oppose HB 5004 and HB 500, the affiliate nexus tax bills. If these bills pass, the state will NOT gain additional taxes, and my small business income will be devastated in the process. My income is earned from advertising and affiliate relationships on my website.

I run a website called bargainshoppermom.com. I help moms save money and also let them know about fun unique products. I spend my time searching out deals. In some cases when people purchase through my website, I make a small percentage of the sale. I only have had my website up a year and a half. I have invested time, energy and money into trying to make it a profitable business but it takes time with it being a start up. It is moving in the right direction. However, if I lose my affiliate relationships all my investment will be lost. It would be devastating to lose my business that is only just starting to pay off.

These bills claim that by advertising on my website, out-of-state retailers will be forced to collect sales tax from Michigan citizens. But the bill misses one very critical point: out-of-state retailers will simply stop advertising on my website to avoid having to collect sales tax – and my income will be devastated. This isn't an idle threat; my peers in NY, NC and RI had their online advertising businesses nearly wiped out overnight when hundreds of retailers terminated their advertising agreements when similar laws passed. I am certain they will terminate me if the law passes here. If passed, this law would wipe out my business and still not collect any new sales tax dollars.

I urge you reject HB 5004 and HB 5005. They will not earn any additional tax revenue for Michigan, and it will damage my business in the process.

Sincerely,

Melissa Buckles
Owner, Bargain Shopper Mom
www.bargainshoppermom.com

